

STATEMENT OF BASIS (AI No. 1438)

for draft Louisiana Pollutant Discharge Elimination System permit No. LA0118702 to discharge to waters of the State of Louisiana.

THE APPLICANT IS: Allied Shipyard, Inc.
Larose Facility
P.O. Box 1240
Larose, LA 70373

ISSUING OFFICE: Louisiana Department of Environmental Quality (LDEQ)
Office of Environmental Services
Post Office Box 4313
Baton Rouge, Louisiana 70821-4313

PREPARED BY: Gene Jarreau

DATE PREPARED: August 6, 2009

1. PERMIT STATUS**A. Reason For Permit Action:**

Permit reissuance of an Louisiana Pollutant Discharge Elimination System (LPDES) permit for a 5-year term.

B. NPDES permit – NPDES permit effective date: N/A
NPDES permit expiration date: N/A
EPA has not retained enforcement authority.

C. LPDES permits – LA0118702
LPDES permit effective date: February 1, 2004
LPDES permit expiration date: January 31, 2009

LAR05N227 Reauthorization
LPDES permit reauthorization effective date: May 24, 2006
LPDES permit reauthorization expiration date: April 30, 2011

D. Date Application Received: June 12, 2008. Additional Information received in a June 24, 2008 e-mail.

2. FACILITY INFORMATION**A. FACILITY TYPE/ACTIVITY - vessel repair facility**

Allied Shipyard, Inc., Larose Facility, is an existing facility that repairs vessels. No vessel cleaning takes place at this facility. Rinse water from the parking area in which company cranes are rinsed, shall be included in the Storm Water Pollution Prevention Plan (SWP3) required by the Multi-Sector Storm Water General Permit authorization LAR05N227. The applicant stated there is no ballast water generated at the facility, only dry dock flood water. Dry dock flood water discharges are covered under Part II, Section N of this permit, and additional requirements are included in the Multi-Sector Storm Water General Permit authorization LAR05N227. Stormwater discharges are covered by the Multi-Sector Storm Water General Permit authorization LAR05N227.

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B. FEE RATE

1. Fee Rating Facility Type: minor
2. Complexity Type: I (Reduced from IV by use of the Interim Strategy for Complexity Designation Determinations for SIC Codes 3731 or 3732.)
3. Wastewater Type: III
4. SIC code: 3731

C. LOCATION - 310 Ledet Lane in Larose, Lafourche Parish
Latitude 29° 34' 33", Longitude 90° 23' 31"

3. OUTFALL INFORMATION

Outfall 001

Discharge Type: the intermittent discharge of treated sanitary wastewater
Treatment: mechanical
Location: at the point of discharge from package treatment Plant # 1, located at the main office, prior to mixing with other waters
Flow: 50 GPD (intermittent)
Discharge Route: by effluent pipe into a parish drainage ditch, thence into the Intracoastal Waterway, thence into Lake Salvador

Outfall 002

Discharge Type: the intermittent discharge of treated sanitary wastewater
Treatment: mechanical
Location: at the point of discharge from package treatment Plant # 2, located at the stockroom, prior to mixing with other waters
Flow: 71 GPD (intermittent)
Discharge Route: by effluent pipe into a parish drainage ditch, thence into the Intracoastal Waterway, thence into Lake Salvador

4. RECEIVING WATERS

STREAM - Intracoastal Waterway

BASIN AND SEGMENT - Terrebonne Basin, Segment 120304

DESIGNATED USES -

- a. primary contact recreation
- b. secondary contact recreation
- c. propagation of fish and wildlife
- d. drinking water supply
- e. agriculture

5. TMDL STATUS

Subsegment 120304, Intracoastal Waterway - Houma to Larose, is not listed on LDEQ's Final 2006 303(d) list as impaired. However, subsegment 120304 was previously listed as impaired for organic enrichment / low dissolved oxygen and nutrients, for which the below TMDL has been developed. The Department of Environmental Quality reserves the right to impose more stringent discharge limitations and/or additional restrictions in the future to maintain the water quality integrity and the designated uses

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of the receiving water bodies based upon additional TMDLs and/or water quality studies. The DEQ also reserves the right to modify or revoke and reissue this permit based upon any changes to established TMDLs for this discharge, or to accommodate for pollutant trading provisions in approved TMDL watersheds as necessary to achieve compliance with water quality standards. The following TMDL has been established for subsegment 120304:

Final TMDLs for Dissolved Oxygen and Nutrients in Selected Subsegments in the Middle Terrebonne Basin, Louisiana (April 2, 2008)

For organic enrichment / low dissolved oxygen and nutrients:

This facility was one of the facilities assigned waste load allocations (WLAs) in this TMDL. The TMDL established load limitations for oxygen-demanding substances and goals for reducing those pollutants. When oxygen-demanding substances are controlled and limited to ensure that the dissolved oxygen criterion is supported, nutrients are also controlled and limited. WLAs include the imposition of 45 mg/L BOD, 15.0 mg/L Ammonia-Nitrogen, and 7.5 mg/L Total Organic Nitrogen limits for Outfalls 001 and 002.

Federal regulations under 40 CFR 130.7 require the State to incorporate all Final TMDLs into its current Water Quality Management Plan (WQMP). The State is also required to ensure consistency with the WQMP requirements approved by EPA under Section 208(b) of the Clean Water Act (CWA), as cited under LAC 33.IX.2707.D.6. Since the requirements established in the Final TMDLs for Dissolved Oxygen and Nutrients in Selected Subsegments in the Middle Terrebonne Basin, Louisiana (April 2, 2008) are water quality-based effluent limitations that are part of the current Louisiana Water Quality Management Plan-Volume 8 (January 26, 2009), the TMDL waste load allocations must be added to the permit.

6. CHANGES FROM PREVIOUS PERMIT

Outfall 001

Weekly Average Discharge Limitations have been changed to Daily Maximum Discharge Limitations, in accordance with current practices regarding treated sanitary wastewater discharges in individual permits. In accordance with the Final TMDLs for Dissolved Oxygen and Nutrients in Selected Subsegments in the Middle Terrebonne Basin, Louisiana (April 2, 2008), daily maximum discharge limitations of 15.0 mg/L Ammonia-Nitrogen and 7.5 mg/L Total Organic Nitrogen will be added to this outfall. The measurement frequency for these two parameters will be the same as the other parameters, currently once every six months, based on LPDES Sanitary Discharge General Permit LAG530000.

Outfall 002

Weekly Average Discharge Limitations have been changed to Daily Maximum Discharge Limitations, in accordance with current practices regarding treated sanitary wastewater discharges in individual permits. In accordance with the Final TMDLs for Dissolved Oxygen and Nutrients in Selected Subsegments in the Middle Terrebonne Basin, Louisiana (April 2, 2008), daily maximum discharge limitations of 15.0 mg/L Ammonia-Nitrogen and 7.5 mg/L Total Organic Nitrogen will be added to this outfall. The measurement frequency for these two parameters will be the same as the other parameters, currently once every month, based on the current permit.

7. COMPLIANCE HISTORY/COMMENTS

A compliance history/DMR review was done covering the period of July 29, 2006 to July 29, 2009.

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1. Compliance History – There are no known open, appealed, or pending water enforcement actions as of July 29, 2009.
2. Company Compliance History –
 Considering the company's past compliance history / similar facilities, the facility's recent DMR Review / last water permit inspection, and the best professional judgment of the reviewer, it has been determined that the proposed draft permit conditions adequately address the applicant's history of violations.
3. DMR Exceedances Reported –

Dates	Parameter	Outfall	Reported Value	Permit Limits
10/01/06 to 12/31/06	Fecal Coliform	002	Too Numerous To Count	400 colonies/ 100 mL
10/01/08 to 12/31/08	Fecal Coliform	002	>6,000 colonies/ 100 mL	400 colonies/ 100 mL
10/01/08 to 12/31/08	BOD ₅	002	68 mg/L	45 mg/L

4. Inspections – The last water permit routine LDEQ Compliance Evaluation Inspection (CEI) was performed on December 30, 2008. The status was rated as compliant in all areas.

Please be aware that the Department has the authority to reduce monitoring frequencies when a permittee demonstrated two or more consecutive years of permit compliance. Monitoring frequencies established in LPDES permits are based on a number of factors, including but not limited to, the size of the discharge, the type of wastewater being discharged, the specific operations at the facility, past compliance history, similar facilities, and best professional judgment of the reviewer. We encourage and invite each permittee to institute positive measures to ensure continued compliance with the LPDES permit, thereby qualifying for reduced monitoring frequencies upon permit reissuance. If the Department can be of any assistance in this area, please do not hesitate to contact us. As a reminder, the Department will also consider an increase in monitoring frequency upon permit reissuance when the permittee demonstrates continued non-compliance.

8. EXISTING EFFLUENT LIMITS

Outfall 001, the discharge of treated sanitary wastewater

Such discharges shall be limited and monitored by the permittee as specified below:

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Effluent Characteristic	STORET Code	Discharge Limitations				Monitoring Requirements	
		(lbs/day, UNLESS STATED)		Other Units (mg/L, UNLESS STATED)		Measurement Frequency	Sample Type
		Monthly Average	Weekly Average	Monthly Average	Weekly Average		
Flow-MGD	50050	Report	Report	---	---	1/6 months	Estimate
BOD ₅	00310	---	---	---	45	1/6 months	Grab
TSS	00530	---	---	---	45	1/6 months	Grab
Fecal Coliform							
colonies/100 ml (*1)	74055	---	---	---	400	1/6 months	Grab
pH Min/Max Values (Standard Units)	00400	---	---	6.0 (*2) (Min)	9.0 (*2) (Max)	1/6 months	Grab

Outfall 002, the discharge of treated sanitary wastewater

Such discharges shall be limited and monitored by the permittee as specified below:

Effluent Characteristic	STORET Code	Discharge Limitations				Monitoring Requirements	
		(lbs/day, UNLESS STATED)		Other Units (mg/L, UNLESS STATED)		Measurement Frequency	Sample Type
		Monthly Average	Weekly Average	Monthly Average	Weekly Average		
Flow-MGD	50050	Report	Report	---	---	1/month	Estimate
BOD ₅	00310	---	---	---	45	1/month	Grab
TSS	00530	---	---	---	45	1/month	Grab
Fecal Coliform							
colonies/100 ml (*1)	74055	---	---	---	400	1/month	Grab
pH Min/Max Values (Standard Units)	00400	---	---	6.0 (*2) (Min)	9.0 (*2) (Max)	1/month	Grab

9. ENDANGERED SPECIES

The receiving waterbody, Subsegment 120304 of the Terrebonne Basin is not listed in Section II.2 of the Implementation Strategy as requiring consultation with the U.S. Fish and Wildlife Service (FWS). This strategy was submitted with a letter dated November 17, 2008 from Rieck (FWS) to Nolan (LDEQ). Therefore, in accordance with the Memorandum of Understanding between the LDEQ and the FWS, no further informal (Section 7, Endangered Species Act) consultation is required. The effluent limitations established in the permit ensure protection of aquatic life and maintenance of the receiving water as aquatic habitat. Therefore, the issuance of the LPDES permit is not likely to have an adverse effect on any endangered or candidate species or the critical habitat.

10. HISTORIC SITES

The discharge is from an existing facility location, which does not include an expansion on undisturbed soils. Therefore, there should be no potential effect to sites or properties on or eligible for listing on the National Register of Historic Places, and in accordance with the "Memorandum of Understanding for the Protection of Historic Properties in Louisiana Regarding LPDES Permits" no consultation with the

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Louisiana State Historic Preservation Officer is required.

11. TENTATIVE DETERMINATION

On the basis of preliminary staff review, the Department of Environmental Quality has made a tentative determination to issue a permit for the discharge described in the application.

12. PUBLIC NOTICES

Upon publication of the public notice, a public comment period shall begin on the date of publication and last for at least 30 days thereafter. During this period, any interested persons may submit written comments on the draft permit and may request a public hearing to clarify issues involved in the permit decision at this Office's address on the first page of the statement of basis. A request for a public hearing shall be in writing and shall state the nature of the issues proposed to be raised in the hearing.

Public notice published in:

Local newspaper of general circulation

Office of Environmental Services Public Notice Mailing List

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Rationale for Allied Shipyard, Inc.

1. **Outfall 001:** the intermittent discharge of treated sanitary wastewater

Pollutant	Limitation		Reference
	Monthly Avg	Daily Max	
	mg/L		
Flow	Report-MGD	Report-MGD	LAC 33:IX.2707.I.1.b
Ammonia - Nitrogen		15.0	TMDL
Total Organic Nitrogen		7.5	TMDL
BOD ₅		45	TMDL; LAG530000; similar discharges
TSS		45	BPJ; LAG530000; similar discharges
Fecal Coliform colonies/100mL		400	BPJ; LAG530000; similar discharges
pH, s.u.	6.0 (min)	9.0 (max)	BPJ; LAG530000; similar discharges

Treatment: mechanical (package treatment plant)

Monitoring Frequency: 1/6 months for all parameters, at the point of discharge from package treatment Plant # 1, located at the main office, prior to mixing with other waters.

Limits Justification: Final TMDLs for Dissolved Oxygen and Nutrients in Selected Subsegments in the Middle Terrebonne Basin, Louisiana (April 2, 2008); BPJ; the Class I Sanitary Discharge General Permit (LAG530000), Schedule B, Treated Sanitary Wastewater less than 5,000 GPD; similar discharges.

2. **Outfall 002:** the intermittent discharge of treated sanitary wastewater

Pollutant	Limitation		Reference
	Monthly Avg	Daily Max	
	mg/L		
Flow	Report-MGD	Report-MGD	LAC 33:IX.2707.I.1.b
Ammonia - Nitrogen		15.0	TMDL
Total Organic Nitrogen		7.5	TMDL
BOD ₅		45	TMDL; LAG530000; similar discharges
TSS		45	BPJ; LAG530000; similar discharges
Fecal Coliform colonies/100mL		400	BPJ; LAG530000; similar discharges
pH, s.u.	6.0 (min)	9.0 (max)	BPJ; LAG530000; similar discharges

Treatment: mechanical (package treatment plant)

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Monitoring Frequency: 1/month for all parameters, at the point of discharge from package treatment Plant # 2, located at the stockroom, prior to mixing with other waters.

Limits Justification: Final TMDLs for Dissolved Oxygen and Nutrients in Selected Subsegments in the Middle Terrebonne Basin, Louisiana (April 2, 2008); BPJ; the Class I Sanitary Discharge General Permit (LAG530000), Schedule B, Treated Sanitary Wastewater less than 5,000 GPD; similar discharges.

This facility is not subject to Effluent Limitations Guidelines for Transportation Equipment Cleaning, 40 CFR Part 442, because, in accordance with 40 CFR 442.1.a "this part applies to discharges resulting from cleaning the interior of tanks used to transport chemical, petroleum or food grade cargos." This facility does not clean barges and vessels containing chemical, petroleum or food grade cargos as defined in 40 CFR 442.

Storm Water Pollution Prevention Plan (SWP3) Requirement

The facility's stormwater discharges are covered by the Multi-Sector Storm Water General Permit authorization LAR05N227. Vessel BMPs are comparable to the SWP3 requirements; therefore, vessel BMPs will be applied instead. Should the permittee terminate coverage under general permit authorization LAR05N227 during the life of this permit, the permittee shall request a modification to incorporate stormwater discharges into this permit.